

**January 13, 2006**

# **Montana Medicaid Notice**

## **Pharmacy Providers**

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### **Erroneous Deductibles and High Co-Pays With Medicare Part D**

#### **Effective Immediately**

The implementation of Medicare Part D has resulted in erroneous deductibles and high co-pays charged to full benefit dual eligible clients by their Prescription Drug Plans (PDP). A full benefit dual eligible is a client who has both active Medicaid and Medicare coverage. The Department has received reports that clients have not received their medication because of their inability to pay these high fees. By law, a full benefit dual eligible client's only out of pocket expense is a co-pay of either \$1 or \$3 and no deductible. Nursing Facility dual eligible clients should have no co-pay or deductible.

To facilitate a full benefit dual eligible client's ability to receive needed medications, the Department will pay for erroneous deductibles and high co-pays charged to full benefit dual eligible clients. This payment will remain in place until the issue can be resolved with the client's PDP.

If pharmacies need to be temporarily reimbursed by the Department for these excessive fees, the following steps must be taken:

1. The pharmacy provider must try all means necessary to resolve the deductible or high co-pay issue with the client's PDP.
2. Collect the appropriate \$1 to \$3 co-pay from the client. The appropriate co-payment is \$1 for generics and \$3 for brand name drugs.
3. Prepare an MA-5 pharmacy billing form as per the instructions on page 9.1-9.4 of the Prescription Drug Program provider manual. This information can be found at the Departments website:

<http://www.dphhs.mt.gov/hpsd/medicaid/medicaid2/pdf/pharmacy.pdf>

In field 19, "amount charged," place the balance of the erroneous deductible or co-payment overcharge less the client's \$1 or \$3 co-payment. Attach the claim history and plan response showing the submitted charge, reimbursement amount and the client's co-pay then submit to the Department. Claims may be faxed to (406) 444-1861.

4. The Department will process the claim for payment and contact the Centers for Medicare and Medicaid Services to facilitate proper PDP reimbursement.
5. Once the Department has received confirmation that the issue has been resolved with the PDP, a Department representative will contact your pharmacy and ask you to reverse and resubmit the original claim to the PDP for proper adjudication.
6. The Department will then adjust your Medicaid claim and the results will reflect on your remittance advice.

The Department understands the burden placed upon pharmacy providers with the implementation of Medicare Part D and appreciates the efforts our pharmacy providers are taking to provide continuity of care for Montana's low-income clients. The Department will continue to facilitate where it can to ensure that Medicare Part D issues get resolved. Questions may be directed to the Department by calling Dan Peterson at (406) 444-2738.

## **Contact Information**

For claims questions or additional information, contact Provider Relations:

**Provider Relations toll-free in- and out-of-state: 1-800-624-3958**

**Helena: (406) 442-1837**

Visit the Provider Information website:

**<http://www.mtmedicaid.org>**